

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CUNNINGHAM WATER DISTRICT)	
FOR RATE ADJUSTMENT PURSUANT TO THE)	CASE NO. 10470
ALTERNATIVE RATE FILING PROCEDURE FOR)	
SMALL UTILITIES)	

O R D E R

On November 14, 1989, Cunningham Water District ("Cunningham") filed an application pursuant to Commission Regulation 807 KAR 5:076 for approval of a proposed increase in its rates, which would generate additional annual revenues of \$2,311, an 18.75 percent increase.

In January 1989, the Commission Staff conducted a field review of Cunningham's test-period financial records. Based upon this review, the Commission Staff on February 27, 1989 issued a report recommending that the proposed rates be accepted.

By letter dated February 27, 1989, the Commission advised Cunningham that comments on the Staff Report or a request for a public hearing must be made by March 13, 1989, or this case would stand submitted to the Commission for decision. No comments on the Staff Report or requests for a public hearing have been received.

The Commission, after considering the evidence of record and being sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached and incorporated hereto, are the fair, just, and reasonable rates for Cunningham and will produce gross annual revenues of \$14,635 for water service based on adjusted test-year sales. These rates will allow Cunningham sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Cunningham and contained in Appendix A are approved for service rendered by Cunningham on and after the date of this Order.

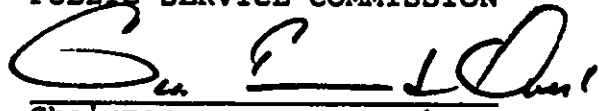
2. Within 30 days of the date of this Order, Cunningham shall file with the Commission its revised tariff setting out the rates approved herein.

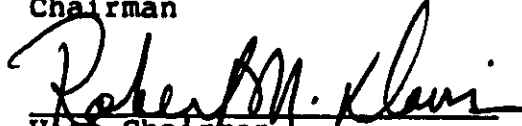
Done at Frankfort, Kentucky, this 10th day of April, 1989.

ATTEST:

Executive Director

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

APPENDIX A

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 10470 DATED 4/10/89**

The following rates are prescribed for the customers in the area served by Cunningham Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Water Service

First 2,000 gallons	\$6.00 (Minimum Monthly Bill)
Next 3,000 gallons	2.20 per 1,000 gallons
Over 5,000 gallons	1.75 per 1,000 gallons